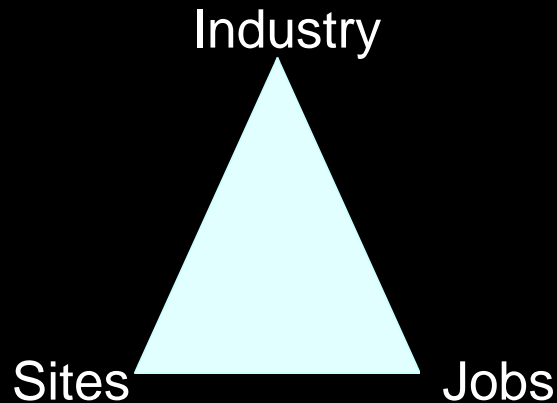


Market Analysis and Economic Development Considerations

economic development (n)

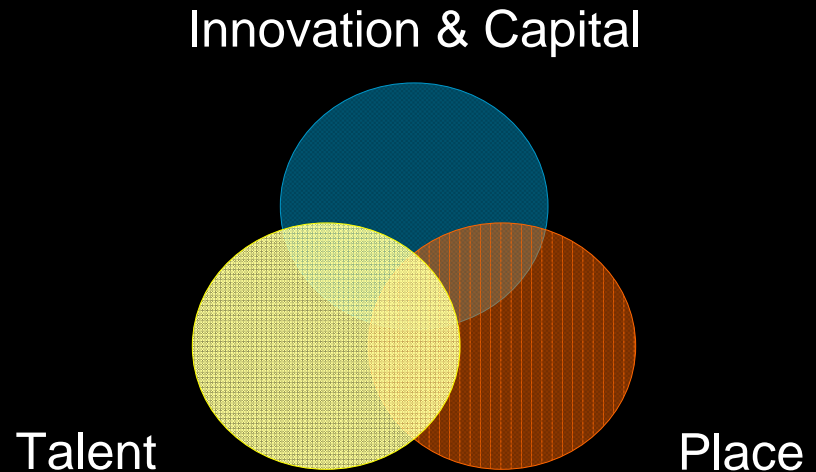
- 1) the application of public resources to stimulate private investment

Our Approach



The traditional ED model focuses on place-based industrial recruitment and job creation as a means to stimulate economic growth.

Our model focuses on the factors that play vital roles in stimulating economic vitality in a community.



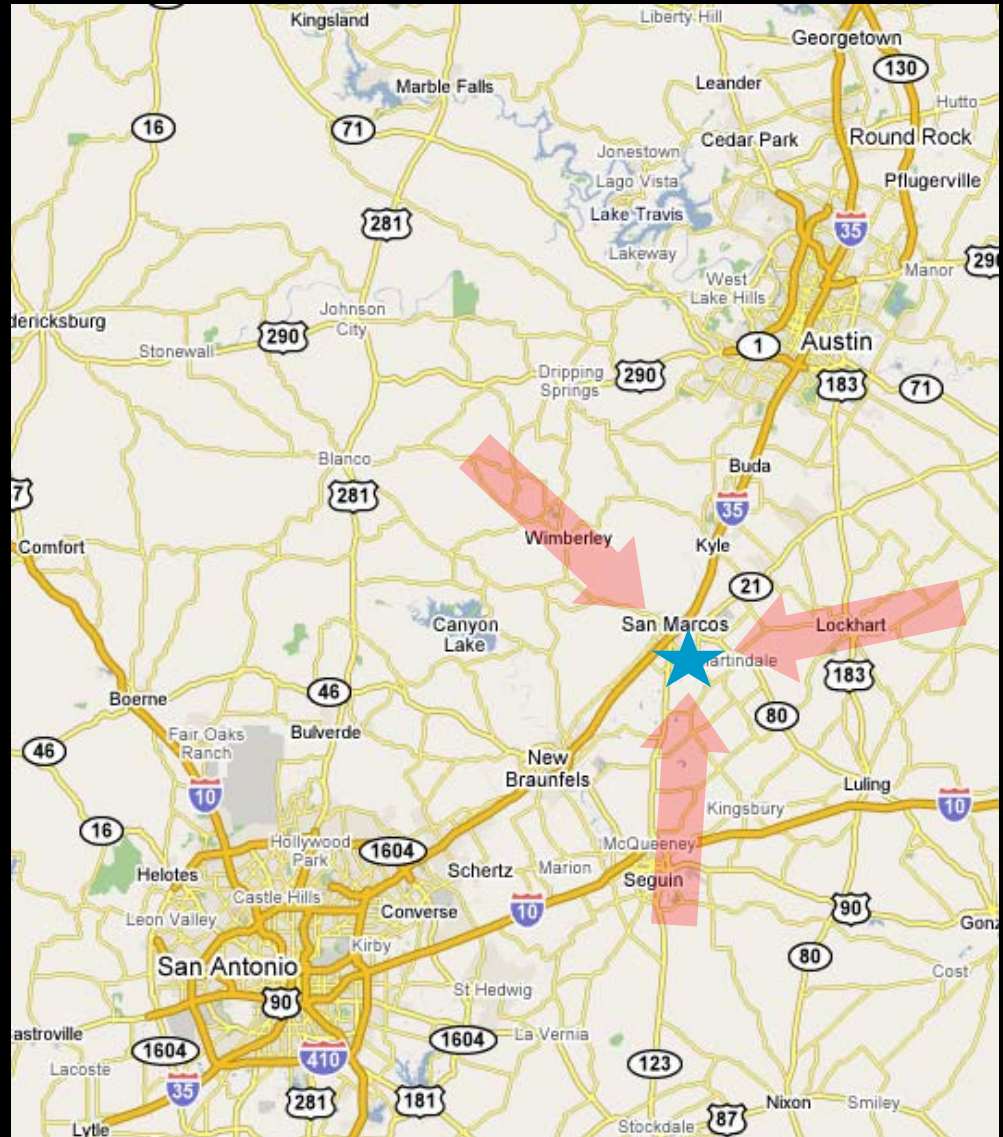
Talent and Place



- **Talent** – the individuals that possess the skills and values to make organizations effective
- **Quality of Place** – viewing the assets of your community through the eyes of the talent you wish to attract and retain

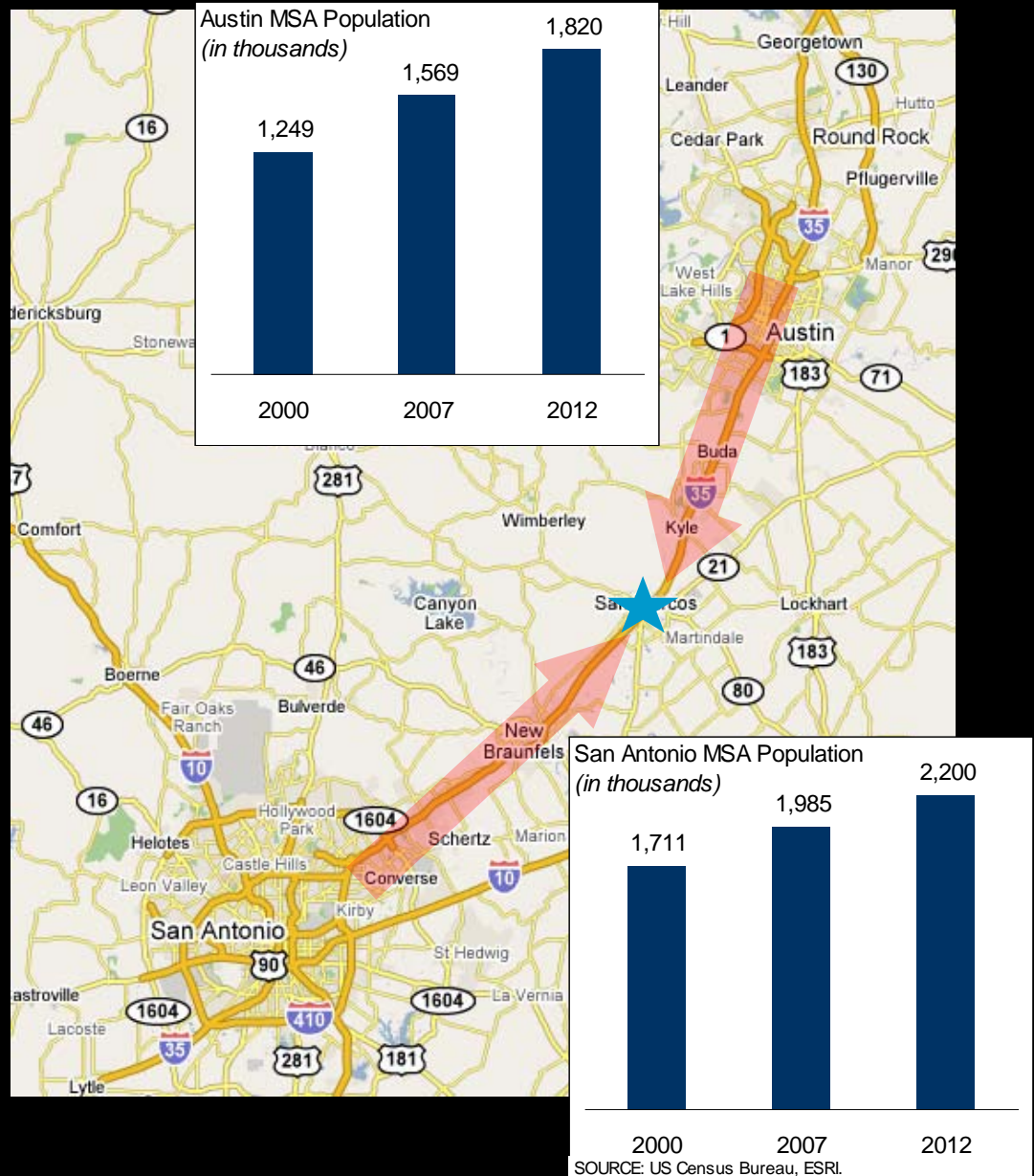
San Marcos today...

- “Gateway to the Hill Country”
- Stop on I-35 between San Antonio & Austin
- Regional center for Wimberley, Lockhart, & Seguin



San Marcos tomorrow...

- “Center of the Corridor”
- Residential growth from Austin
- Texas State growth
- Commuter rail

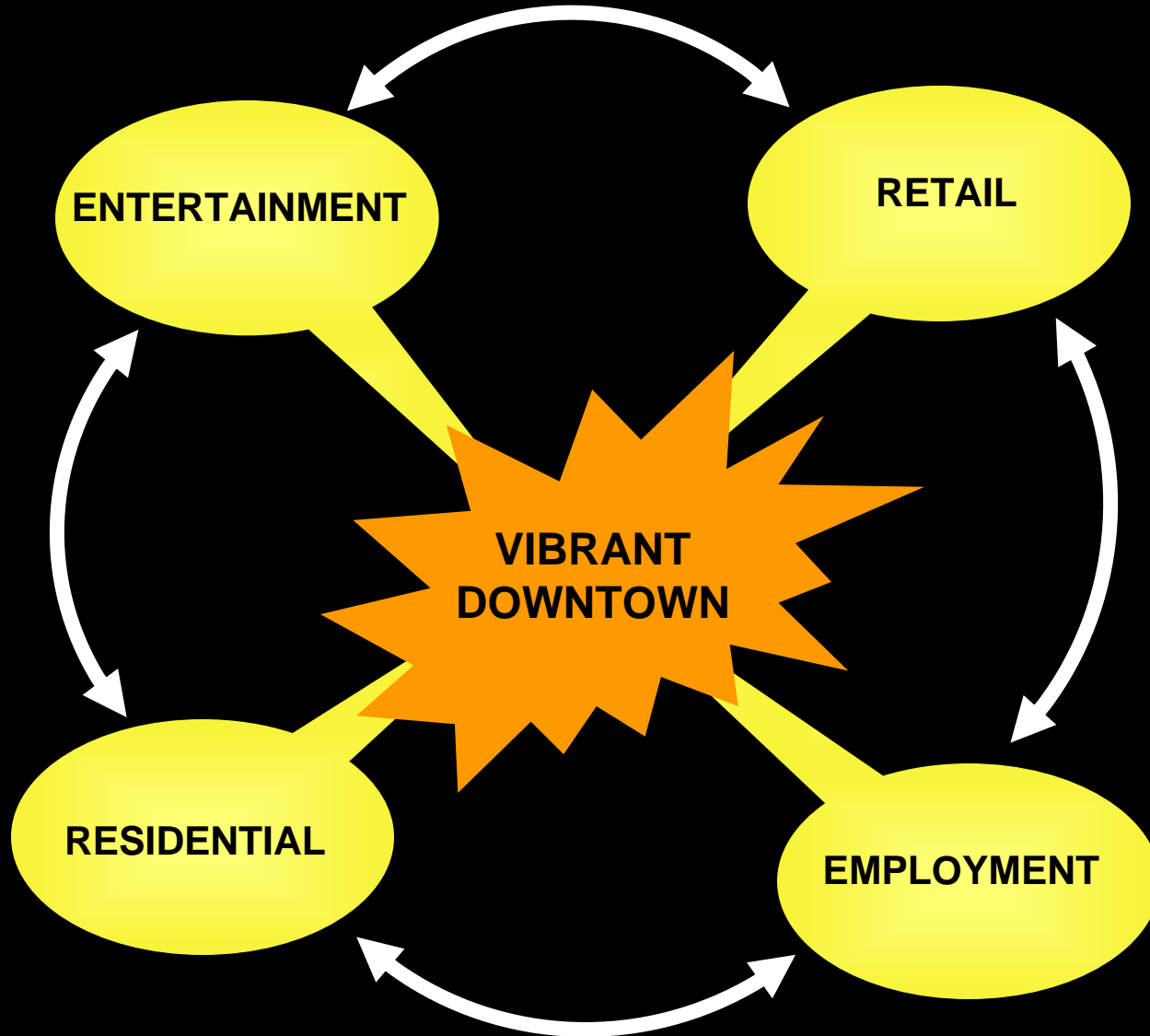


Today's downtown market

- Lease rates are very low compared to neighboring communities
- Occupancy rates are relatively high
- Current demand highest for office...then residential...then retail



Downtown Development Model



Office Market

>> *Make downtown an employment center*

- *Shortage of office space downtown*
- *No Class A office space*
- *Many offices occupying prime retail space*
- *Future demand will be driven by growth along A-SA Corridor*

Residential Market

>> Promote residential living downtown among many demographics

- Increasing enrollment at Texas State
- More office workers downtown
- Retiree attraction
 - Higher education, grocery, shopping, walkability
- Commuter rail opportunity
- Under-utilized second floors prime redevelopment

Retail Market

>> *Downtown Retail will succeed with more residential units and office employees.*

- Nearly saturated
 - Outlet malls + retail development in Kyle and Buda
- Additional office space & relocation of county services will free up some retail space
- Limiting liquor permits may inhibit growth and private investment in the downtown
- Retailer perception:
 - “*Downtown has such a volatile market in the summer when the kids are gone...*”

Role of Downtown CAN Change

Today...

- County business
- Entertainment options
- Limited Dining options
- Limited Retail
- Pass through on way to Wimberley

Tomorrow...

- Regional employment center
- Option for urban living
- Entertainment district
- Retail destination
- Tourist attraction
- Talent and business attraction

Market demand is influenced by City...

- Demand for office space will increase an estimated *135,000 to 203,000* gross square feet from 2007 to 2012.
- Demand for residential units will increase an estimated *282,000 to 422,000* gross square feet from 2007 to 2012.
- Demand for retail space will increase an estimated *40,000 to 53,000* gross square feet from 2007 to 2012.

